

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

DIA review(s) completed.

**Secret** 

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17 September 1968

No. 0263/68 17 September 1968

## Central Intelligence Bulletin

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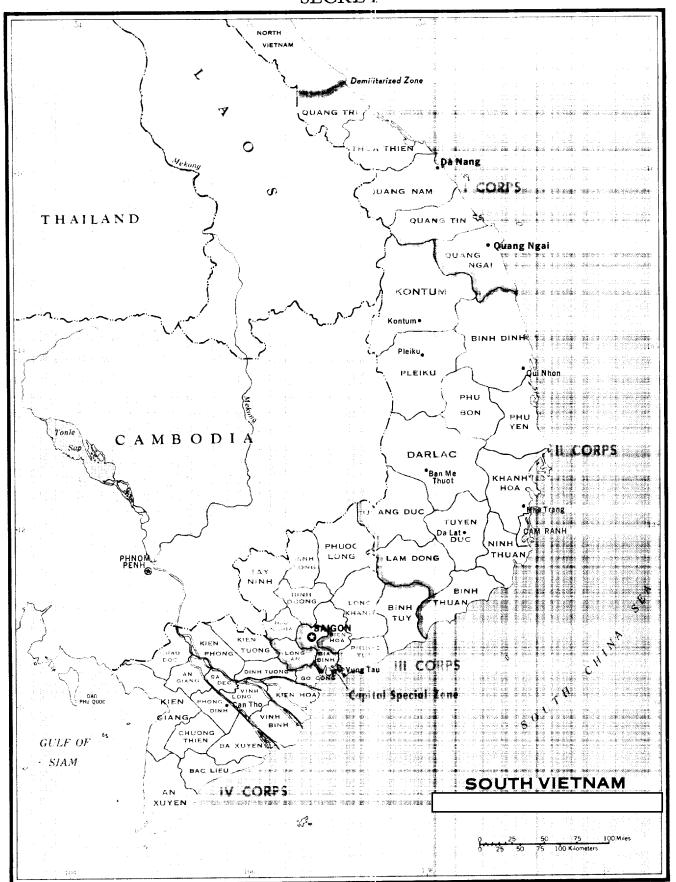
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South Vietnam: Military action remained concentrated in the northern provinces and in III Corps on 15-16 September.

In I Corps, South Vietnamese rangers reported killing 114 Communist troops and capturing 23 weapons, 3,000 pounds of rice, and a large quantity of ammunition in a day-long battle south of Da Nang. Meanwhile, there were intermittent clashes between US Marines and enemy troops near the Demilitarized Zone and near Quang Ngai city.

In the provinces around Saigon, the enemy directed more than 20 mortar and rocket attacks against allied positions.

Allied forces continued to uncover significant quantities of Communist supplies. A second very large cache was discovered over the weekend by US soldiers in III Corps, and South Vietnamese forces turned up a third in IV Corps. The two caches uncovered in III Corps are among the largest ever discovered, and their loss may cause further delays in operations planned for some enemy units in the area.

USSR-Czechoslovakia: Moscow has expressed guarded approval of the trend of developments in Czechoslovakia but continued to criticize "reactionary elements" in the country.

Pravda yesterday ran an article from its "special correspondents" in Prague alluding favorably to the restrictive measures recently adopted by the Czechoslovak regime. The article cited a growing "tendency" to understand that the "only correct and possible course has been charted in the Moscow agreements" and in the Czechoslovak central committee decisions "drawn up after the Moscow talks."

The article, however, failed to echo Prague's claims that the situation is being "normalized"—the ambiguous precondition for the withdrawal of Soviet troops. Instead, Pravda alleged that "antisocialist forces still have influence on rather considerable sections of the population," and attributed the popular hostility to the occupation forces to the "subversive activity of the right-wing forces."

Prague has been irritated by the failure of its Soviet bloc allies to keep their promise of noninterference in Czechoslovakia's internal affairs. The Czechoslovak Government has protested to Poland about allegations in the Polish press that the Czechoslovak National Assembly's foreign affairs committee had endorsed "neutrality" for Czechoslovakia.

In addition, the main Czechoslovak party daily Rude Pravo published a statement by 13 leading economists criticizing Soviet news media for their attacks on Ota Sik, foremost Czechoslovak economic theorist who recently resigned from the post of deputy premier. The Rude Pravo statement reminded the Soviets that they had promised not to interfere with the planning and management of the Czechoslovak economy.

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### Approved For Release 2003/10/01: EIA-RDP79T00975A012100070001-9

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a Czechoslovak delegation is supposed to go to Moscow next week to negotiate the withdrawal of some of the Soviet troops. According to reports on the Moscow agreement, some Soviet troops will continue to be stationed on Czechoslovakia's border with West Germany.

There has been no substantial change in the status of Soviet forces in Eastern Europe. The US military attaché in Rumania has reported that some Rumanian troops appeared to be returning to garrison on 11-13 September. These troops probably deployed to positions near the Bulgarian border during the Czechoslovak crisis.

the personnel strength of the Czechoslovak armed forces will be at least temporarily reduced.

all enlisted men who had served their two-year term of service would be discharged on or about 26 September, but that the 1968 call-up of recruits had been "indefinitely deferred."

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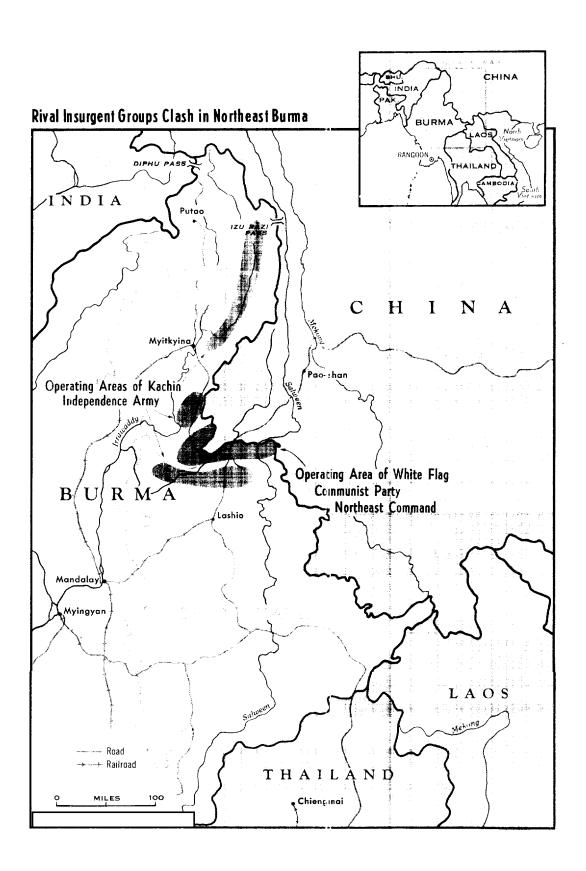
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Burma: Hostilities between two major insurgent groups could ease Communist pressures on the Burmese Army.

According to recently available information, the Kachin Independence Army of northern Burma on 2 August declared "war" on the pro-Peking White Flag Communists. The White Flags responded by labeling the Kachins "running dogs of General Ne Win."

For at least two months the White Flag "Northeast Command" has been attempting to establish a base area in northeast Burma along the Sino-Burmese border. The White Flags apparently clashed several times with Kachin forces while trying to carve out their secure area. The Kachins, who are predominantly anti-Communists interested in winning autonomy from the Burmese Government, had earlier been considering an alliance with the White Flags.

Diversion of some of the White Flag troops to operations against the Kachins may bring an easing of White Flag harassment of Burmese Army forces. The White Flags had inflicted heavy casualties on the Burmese Army in encounters that have been described as the largest in recent years.

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Okinawa: Three of Japan's major parties rate the prospects of the majority Okinawa conservatives and the leftist coalition about even in the November elections for chief executive and legislature.

Political forecasters in Japan's governing Liberal Democratic Party believe the Okinawan Komei-kai, the affiliate of Japan's Buddhist-based Komei Party, holds the swing vote in the elections. Komei-kai, however, is currently neutral and will probably be a decisive factor in the race for chief executive only if it officially endorses one of the two candidates.

A high-level Komei Party official who visited Okinawa last week says that while the leftist candidate Yara still has an advantage, his opponent Nishime is closing the gap as conservative Japanese money enters the campaign.

Japanese leftist and conservative political personalities and organizers will soon be sent to the Ryukyus in an attempt to provide momentum to the campaigns of the respective Okinawan candidates. Earlier this month, the Japanese Liberal Democrats, seeking to increase the voter appeal of the Okinawan conservatives, promised the Okinawans new Japanese assistance in education, development, and welfare.

<u>Ceylon:</u> The moderate government of Prime Minister Senanayake retains a working majority in Parliament despite the decision of the Federal Party to withdraw from the governing coalition.

The Federal Party, devoted to the interests of Ceylon's Tamil minority, recently has become increasingly dissatisfied with the benefits received from its three and one half year participation in the national government. The prime minister's handling of recent Tamil demands involving language, religion, and especially local autonomy in the northern and eastern provinces has caused particular concern within the party. The local autonomy proposal had met with strong disapproval from the predominantly Sinhalese general public, and passage of the legislation could ultimately have helped to bring victory in the general elections in 1970 to the leftist opposition coalition.

The party's withdrawal appears to be a face-saving gesture in the wake of political threats from the Tamil Congress Party--which has been improving its prospects to the detriment of the Federal Party--and from Tamil extremists, who have called for a separate Tamil state. The Federal Party plans to sit with the opposition, but will continue to vote with Senanayake's United National Party (UNP) on most issues except those involving the Tamils. Senanayake still can count on 85 seats in Parliament to 58 for the opposition and 13 for the Federal Party.

The prime minister and other UNP leaders probably are not displeased by the Federal Party's move. There are no major parliamentary votes pending, and the UNP, as a result of some recent improvement in Ceylon's economy, can accept with less risk a reduced parliamentary majority. Furthermore, the withdrawal could help the UNP in the 1970 elections, because the Sinhalese majority might interpret the action as evidence that the UNP had not betrayed their interests in order to retain Tamil support.

#### NOTES

East Germany - Czechoslovakia: Pankow still appears highly dissatisfied with the manner in which Prague is implementing the Moscow agreement. East German spokesmen, including Premier Stoph, continue to justify the intervention by pointing to an alleged conspiracy between Western-particularly West German-imperialists and Czechoslovak "revisionists" who, it is maintained, are still at large. The East Germans have also continued to attack the Czechoslovak news media and certain individuals, and have labeled the party's action program as "highly revisionist." In a radio commentary on 14 September, the Prague correspondent of the East German radio implicitly criticized the Dubcek regime for not moving faster to impose complete censorship of the press.

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OAU-Nigeria: The fifth summit of the Organization of African Unity, notable for the absence of a number of important African leaders and the early departure of others, ended on 16 September in a rather lackluster fashion. Although a spirited clash over the Nigerian crisis appeared probable before the conference, none developed. The four supporters of Biafran secession--Tanzania, the Ivory Coast, Gabon, and Zambia--were unable to promote Biafra's cause. The final resolution reaffirms the OAU's support for the Nigerian Government and appeals for Biafran cooperation with the federal government in restoring peace and unity.

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